

911 COORDINATING COUNCIL

ECONOMIC IMPACT STATEMENT

K.A.R. 132-2-1

I. Summary of Proposed Regulation, including its Purpose.

K.A.R. 132-2-1 establishes prerequisites for the selection of the local collection point administrator (LCPA) and establishes criteria for extending the LCPA contract as authorized pursuant to

the Kansas 911 Act (Act) (L. 2011, ch. 84, secs. 1-19 and 25 and amendments thereto).

In order to be selected, a LCPA candidate shall at a minimum (1) have the ability to comply with all contract requirements established by the secretary of administration; (2) have at least three years of experience in public sector financial administration and accounting; (3) secure and manage accounts and services at a federally insured financial institution with a physical presence in Kansas; and (4) have the ability to provide appropriate staffing to the council to meet the council's obligations under the Act.

The LCPA is selected through a competitive procurement process by the 911 Coordinating Council (Council), with the advice and consent of the Legislative Coordinating Council. The initial LCPA contract will be two years but a third year may be added by the Council if (1) the Council determines the LCPA has successfully fulfilled its contractual and legal responsibilities for at least 12 months; (2) the annual audit of the 911 fee receipts and disbursements by the LCPA demonstrates appropriate recordkeeping and administration of monies; and (3) the contract extension can control cost increases for services or reduce risks of disruption of essential LCPA services.

II. Reason or Reasons the Proposed Regulation Is Required, Including Whether or Not the

Regulation Is Mandated by Federal Law.

The adoption of rules and regulations addressing LCPA contract terms is required by the Kansas 911 Act (L. 2011, ch. 84, secs. 1-19 and 25 and amendments thereto). This regulation is not mandated by federal law; therefore, the regulation does not exceed the requirements of federal law.

III. Anticipated Economic Impact upon the 911 Coordinating Council.

The economic impact on the Council is minimal. The expenses of the Council, including the LCPA contract, are funded by an administrative fee not to exceed 1.5% of the total receipts from service providers and the Department of Revenue. It is anticipated that the 1.5% administrative set aside will be more than sufficient to cover the expenses of the Council including the LCPA contract.

IV. Anticipated Financial Impact upon Other Governmental Agencies and upon Private Business or Individuals.

The economic impact of other governmental agencies and upon private business or individuals is minimal or nonexistent. The council is the only governmental agency involved with the LCPA contract. The only involvement for private business is telecommunications providers. Providers are required to collect and remit 911 fees however, that requirement does not change based on the LCPA contract. The only involvement for individuals is individual service users are required to pay a 911 fee however, that requirement does not change based on the LCPA contract.

V. Anticipated Economic Impact upon Providers.

The economic impact on providers is minimal or nonexistent as the LCPA contract is funded with an administration fee not to exceed 1.5% of 911 fees collected from service users.

The 911 fees statutorily required to be collected by providers from service users will not be affected by the implementation or the extension of the LCPA contract.

VI. Anticipated Economic Impact upon PSAPs.

With the adoption of K.A.R. 132-2-1 the economic impact on PSAPs is existent in that the LCPA contract is funded with an administration fee not to exceed 1.5% of 911 fees collected from service users. Therefore, the money used to fund the LCPA contract is potentially money that PSAPs may have otherwise received. However, LCPA services are necessary to facilitate the distribution of the 911 fees to PSAPs collected from providers.

VII. Anticipated Economic Impact upon Subscriber Rates.

The economic impact on subscriber rates will be minimal or nonexistent. The LCPA contract is funded with an administration fee not to exceed 1.5% of 911 fees collected from service users. Providers are statutorily required to collect the 911 fees from service users. Providers' statutory obligation will not change dependent upon the terms or length of the LCPA contract. Therefore, subscriber rates should not be affected.